



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

July 31, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Legislative Schedule.** An update on the Assembly and Senate's Summer recess schedule.
- **Pursuit of County Position to Support SB 192 (Liu).** This measure would redefine center-based child care and development programs as direct early learning programs, consolidate contracts for direct early learning programs, among other provisions. Therefore, unless otherwise directed by the Board, consistent with existing policy to support efforts to enhance the quality of early care and education that set high standards for all services and program types, and support the streamlining of administrative processes to expand access for low-income families and ensure continuity of care, **the Sacramento advocates will support SB 192.**
- **Status of Legislation of County Interest.** A report on two measures of County interest related to prepaid mobile telephony services and Medi-Cal interpreters.

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Legislative Schedule

On August 5, 2013, the Assembly is scheduled to reconvene from its Summer recess. The Senate will reconvene on August 12, 2013. As previously reported, the Legislature is expected to act on gun violence legislation and technical health care reform clean-up legislation, among other issues, when it reconvenes.

Pursuit of County Position on Legislation

SB 192 (Liu), which as amended on June 14, 2013, would: 1) redefine center-based child care and development programs as direct early learning programs; 2) consolidate contracts for direct early learning programs; 3) require child care agencies to provide families with consumer education; and 4) make other changes to reflect existing practices and qualitative measures.

Existing law establishes the Child Care and Development Services Act, which provides eligible children from infancy to 13 years of age and their parents, with subsidized child care and development services, including a full range of supervision, health, and support services through full- and part-time programs.

SB 192 would rename the Child Care and Development Services Act as the Early Learning and Educational Support Act. In addition, the bill would amend the Act as follows, among other provisions.

- Re-define and group programs serving children from birth to 13 years old as “direct early learning programs,” and provide that the Superintendent of Public Instruction administer high-quality early learning and educational support programs through direct center services.
- Streamline the delivery of direct early learning programs through the consolidation and simplification of early education program contracts.
- Require that the Child Care Resource and Referral and Alternative Payment Program agencies provide families at the time of their eligibility determination and at recertification with consumer education to help them make informed choices regarding early learning and support services.
- Require local planning councils in their county child care needs assessments to include draft local priorities for the allocation of additional early learning and educational support program funding, if and when additional funding is allocated.

- Enact technical changes to reflect existing practices and add qualitative measures, including developing quality indicators for contractors; specifying the minimum permits and credentials for instructional staff; shifting the ages within staffing ratio categories to better reflect age needs; recasting purpose provisions to reflect early education components, such as developmentally appropriate curriculum.

The Chief Executive Office - Office of Child Care (CEO-OCC) indicates that the system streamlining and increased qualitative measures under SB 192 would generally benefit the low-income children and families who receive services through the 147 school districts and organizations in the County that provide State subsidized child care and development services. CEO-OCC and the Policy Roundtable for Child Care (Roundtable) further indicate that providing families seeking child care and development referrals with enhanced consumer education would ensure that they receive comprehensive information which would enable them to make informed decisions regarding quality early services for their children. In addition, CEO-OCC and the Roundtable note that by consolidating direct early learning programs into one contract, local agencies would be relieved of the operational mandates of managing several contracts and would gain flexibility to balance their budgets between the different programs. CEO-OCC indicates that allowing child care providers to spread their contract funding across populations allows for local funds and services to be fully used, therefore, benefiting more families. Finally, CEO-OCC and the Roundtable indicate that changing the name of the Act and references throughout, which were first codified in 1976, from "child care and development" to "early learning and educational support" reflects current understanding regarding the value of high quality early learning environments for young children, while preserving the provisions that promote self-sufficiency for working families through access to affordable services.

This office, CEO-OCC, and the Roundtable support SB 192. Therefore, unless otherwise directed by the Board, consistent with existing policy to: 1) support efforts to enhance the quality of early care and education that set high standards for all services and program types and address the needs of all children; and 2) support the streamlining of California Department of Education/Child Development Division administrative processes to expand access for low-income families, ensure continuity of care, and promote flexible use of early care and education funding to meet the needs of families, **the Sacramento advocates will support SB 192.**

SB 192 is supported by: Advancement Project, California Child Development Administrators Association; California Teachers Association; Child Care Law Center; Child Development Resources; Early Edge California; Los Angeles Area Chamber of Commerce; Options - A Child Care and Human Services Agency; and San Mateo County Child Care Partnership Council. There is no registered opposition on file.

This measure is scheduled for a hearing in the Assembly Education Committee on August 14, 2013.

Status of Legislation of County Interest

AB 300 (Perea), which as amended on July 10, 2013, is an urgency measure and would enact the Prepaid Mobile Telephony Service Surcharge Collection Act to provide for the collection of State and local fees on prepaid mobile telephony services. The bill would, on and after January 1, 2015, suspend the authority of a local jurisdiction to impose a utility user tax (UUT) on the consumption of prepaid communications service and would instead require that the applied UUT rate be consistent with a predetermined rate established through an eight-tier rate structure.

AB 300 would also suspend the authority of a local jurisdiction to impose a UUT that applies to: 1) prepaid mobile telephony service; 2) access to communication services; and/or 3) access to local 911 emergency telephone systems and would instead establish the aforementioned eight-tier rate structure to provide that the amount of fees charged and revenue collected on prepaid devices are comparable to the existing amounts and/or authorized in local jurisdictions. In addition, AB 300 specifies that a change in a UUT rate or access charge rate would not be subject to voter approval under either State statute or the Constitution.

The prepaid mobile telephony services (MTS) surcharge established in AB 300 would be based upon a percentage of the sales price of each retail transaction that occurs in the State and would include the emergency telephone users surcharge and the Public Utilities Commission (PUC) surcharges. The MTS surcharge would be collected from prepaid consumers at the point-of-sale by retailers and would be remitted to the State Board of Equalization (BOE) subsequent to the retailer deducting and retaining three percent of the collection amount.

Upon receipt of the funds from the retailers and subsequent to the deduction of a two percent administrative fee, the BOE would deposit the funds collected for the emergency telephone users surcharge into the Prepaid MTS 911 Account, deposit the amounts collected for PUC surcharges into the Prepaid MTS PUC Account in the Prepaid Mobile Telephony Services Surcharge Fund, and deposit the various UUTs

into the newly-created Local Charges for Prepaid Mobile Telephony Services Fund for transmittal to the cities and counties that have imposed a UUT. The transmittals from this account would be made to the cities and counties at least once in each calendar quarter. The BOE would be required to provide quarterly statements indicating the amounts paid and withheld.

According to the author of AB 300, everyone who uses telephone services pays a small monthly fee to help fund 911 emergency services and to support other important State and local programs. However, there is no mechanism to collect these fees from the sale of prepaid wireless devices. This leaves State and local governments without a reliable, predictable means for ensuring collection of these revenues. The author notes that AB 300 would help ensure State and local governments receive the necessary resources for 911 programs by developing a mechanism to collect and allocate established fees for prepaid wireless services.

In November 2008, Los Angeles County voters approved Measure U which authorized the continued imposition and past collection of a UUT on communications, electricity, and gas usage in the unincorporated areas of the County, reduced the UUT from 5 percent to 4.5 percent, and affirmed that the Board of Supervisors may amend the County ordinance for specified reasons as long as there is no increase in the tax levy. Under Measure U, the County's collection of a UUT on communications applies, but is not limited to, mobile telecommunications service, prepaid telecommunication service, and post-paid telecommunication service. The revenues collected under Measure U support essential government services in the County's unincorporated areas, including law enforcement, parks, libraries, street repairs, and other general fund services.

According to the Treasurer and Tax Collector (TTC), AB 300 permits retailers to deduct and retain three percent of the UUT collected from prepaid consumers and the BOE is authorized to retain two percent of the UUT amount remitted from retailers to support the BOE's administrative costs. Therefore, the County would not receive the full 4.5 percent UUT, as authorized under Measure U and provided for under County Code. Further, as it relates to the County's current collections process, TTC's UUT Monthly Computation Form requests for the *Total Utility Fee Charges* and does not separate or distinguish the amount attributable to prepaid charges. As a result of not requiring the prepaid portion to be reported separately, TTC is unable to estimate the amount of currently collected/received UUT revenues attributable to prepaid communication devices.

AB 300 is similar to **County-opposed AB 2545** (De La Torre) of 2010, which failed on the Senate Floor, and similar to AB 1050 (Ma) of 2011, which was held in the Senate Governance and Finance Committee.

AB 300 is sponsored by the Cellular Telecommunications Industry Association - The Wireless Association and is supported by: American Federation of State, County, and Municipal Employees, AFL-CIO; AT&T; Boost; California Fire Chiefs Association; Sprint; SureWest Communications; T-Mobile; TracFone Wireless, Inc.; and Virgin Mobile.

This legislation is opposed by: The California Public Utilities Commission; California Chapter of the National Emergency Number Association; California Grocers Association; Consumer Federation of California; Division of Ratepayer Advocates; The Greenling Institute; and The Utility Reform Network.

AB 300 is scheduled for a hearing in the Senate Governance and Finance Committee on August 14, 2013.

This office will continue to work with the Treasurer and Tax Collector and County Counsel to determine any potential County impact of this measure.

AB 1263 (Perez), which as amended on July 10, 2013, would require the California Department of Health Care Services (DHCS) to establish the Medi-Cal Patient-Centered Communication Program (CommuniCal) to provide and reimburse medical interpretation services for Medi-Cal beneficiaries who are limited English proficient (LEP). Medi-Cal providers entering into a managed care contract with the State would have the option to use CommuniCal to provide medical interpreters services for Medi-Cal beneficiaries.

AB 1263 would require the California Department of Health Care Services to certify CommuniCal Medi-Cal interpreters and to develop, monitor, and evaluate competency, qualifications, training, certification, and continuing education for the interpreters. This measure would also establish the Community Advisory Committee, consisting of: government agencies; health care providers; LEP consumers; health care or language access advocates; medical interpreters; or any other expert deemed appropriate to assist DHCS in the above-described tasks. DHCS would be required to maintain a list of authorized CommuniCal interpreters on the Statewide CommuniCal Medical Interpreter Registry which would be updated annually. CommuniCal would be administered by a third party selected through a competitive Request for Proposals process conducted by DHCS.

CommuniCal applicants would be charged a fee to take department-administered examinations. Once certified, interpreters would be required to pay an annual recertification fee and a fee to be listed on the Registry. In addition, AB 1263 would

grant CommuniCal interpreters the right to select an exclusive labor organization to collectively bargain with the State on various matters including setting reimbursement rates for State-funded medical interpreter programs. CommuniCal interpreters would be independent contractors and would not be State employees.

The Department of Health Services (DHS) notes that existing State and Federal law and all Healthcare Accreditation agencies require healthcare providers to offer interpreter services for certain persons with limited English proficiency. All DHS hospitals, multi-service ambulatory care centers and comprehensive health center facilities offer interpreter services to LEP patients. In FY 2011-12, DHS provided over 1.3 million LEP patient visits representing 53 percent of the total patient visits for that year. According to DHS' patient utilization data, over 86 languages were spoken by patients with limited English proficiency.

The Department of Health Services indicates that with the implementation of the Medi-Cal expansion in January 2014, thousands of County residents will become eligible for Medi-Cal. This is likely to increase the number of LEP patients accessing health care services. CommuniCal has the potential to help meet the needs of vulnerable LEP patients who speak uncommon languages. However, DHS notes it is unclear how the bill's provisions would impact the Department. Because the CommuniCal interpreters would be independent contractors of the State, it is possible that these independent contractors could ultimately work with DHS contracted vendors which would increase the availability of medical interpreter services.

The Chief Executive Office Employee Relations Branch (CEO-ERB) indicates that AB 1263 does not clearly address the use of the CommuniCal Program by Medi-Cal providers and beneficiaries in the County. CEO-ERB notes that the County already has a classification of Healthcare Interpreters used by the Departments of Health Services, Public Health, Mental Health and the Sheriff's Department to provide medical interpreter services similar to those proposed in CommuniCal. According to CEO-ERB, AB 1263 may create unintentional operational conflicts with the County's medical interpreters. For example, it is unclear whether, or to what extent, a patient served by a County health facility may request the services of a CommuniCal interpreter, nor does AB 1263 specify whether a Medi-Cal patient would have the option or the right to choose this service in lieu of a County interpreter, or to what extent a CommuniCal interpreter would coordinate client care with Healthcare Interpreters and other County staff. CEO-ERB notes that without defined parameters, AB 1263 could create confusion regarding the duties, rights, responsibilities, and overall role of the County's Healthcare Interpreters.

Each Supervisor
July 31, 2013
Page 8

This office and County Counsel note that it is unclear whether hospitals or other providers could continue to use existing non-certified staff to provide medical interpretation services to Medi-Cal patients. Additionally, the existence of certified staff may create a standard of care that could create liability for the County if it does not provide certified translators and a translation/interpretation error results in patient harm.

AB 1263 is sponsored by the American Federation of State, County and Municipal Employees, AFL-CIO, and supported by numerous community based organizations and labor entities including: Health Access California; California Immigrant Policy Center; Coalition for the Human Rights of Immigrants, Los Angeles; Latino Coalition for a Healthy California; Los Angeles County Federation of Labor; National Association of Social Workers, California Chapter; Planned Parenthood Affiliates of CA; and St. John's Wellness Center, Los Angeles, and others. This measure is opposed by the National Right to Work Committee.

AB 1263 is scheduled for a hearing in the Senate Appropriations Committee on August 12, 2013.

We will continue to keep you advised.

WTF:RA
VE:OR:IGEA:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
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